



OAS | More rights
for more people

Secretariat for Multidimensional Security

**XLVII MEETING OF THE GROUP OF EXPERTS
FOR THE CONTROL OF MONEY LAUNDERING
September 24 to 25, 2019.
Bogota – Colombia**

**OEA/Ser.L/XLV.4.47
DDOT/LAVEX/doc.24/19
September 24, 2019
Original: Spanish**

**PRESENTATION
GOOD PRACTICES IN THE ADMINISTRATION OF SEIZED ASSETS IN COLOMBIA**



**El emprendimiento
es de todos**

Minhacienda



Sociedad de Activos Especiales S.A.S.



Special Assets Society (S.A.E)

WHAT IS FRISCO AND WHAT IS ITS OBJECTIVE?

It is a special account, not a legal person, which objective is to strengthen the justice sector, the social inversion, the anti-Drug policy, the rural Development, the victim's attention and reparation in cases of illicit activities, **through asset administration and destination.**

LEASE

SALE

EARLY SALE

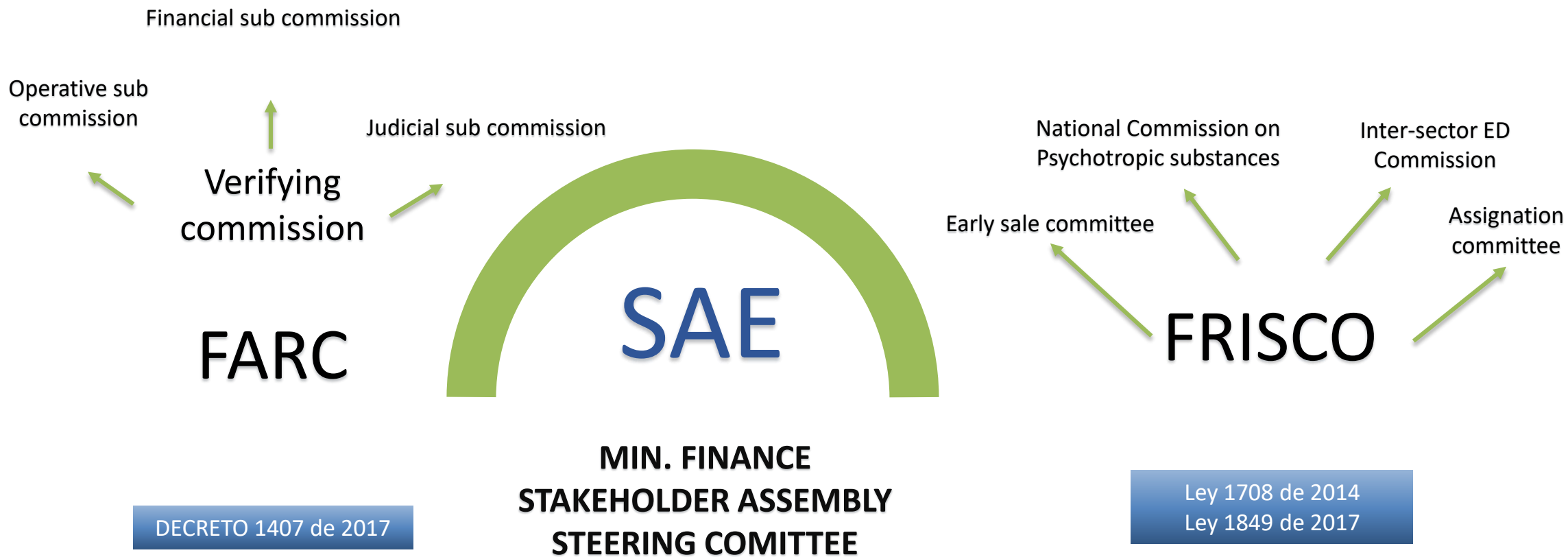
WHAT ASSETS ARE ADMINISTRATED

Those that have been firmly **sentenced in an in rem forfeiture procedure**. Assets over which a **precautionary measure has been decreted in an in rem** forfeiture procedure are also subject to FRISCO administration.

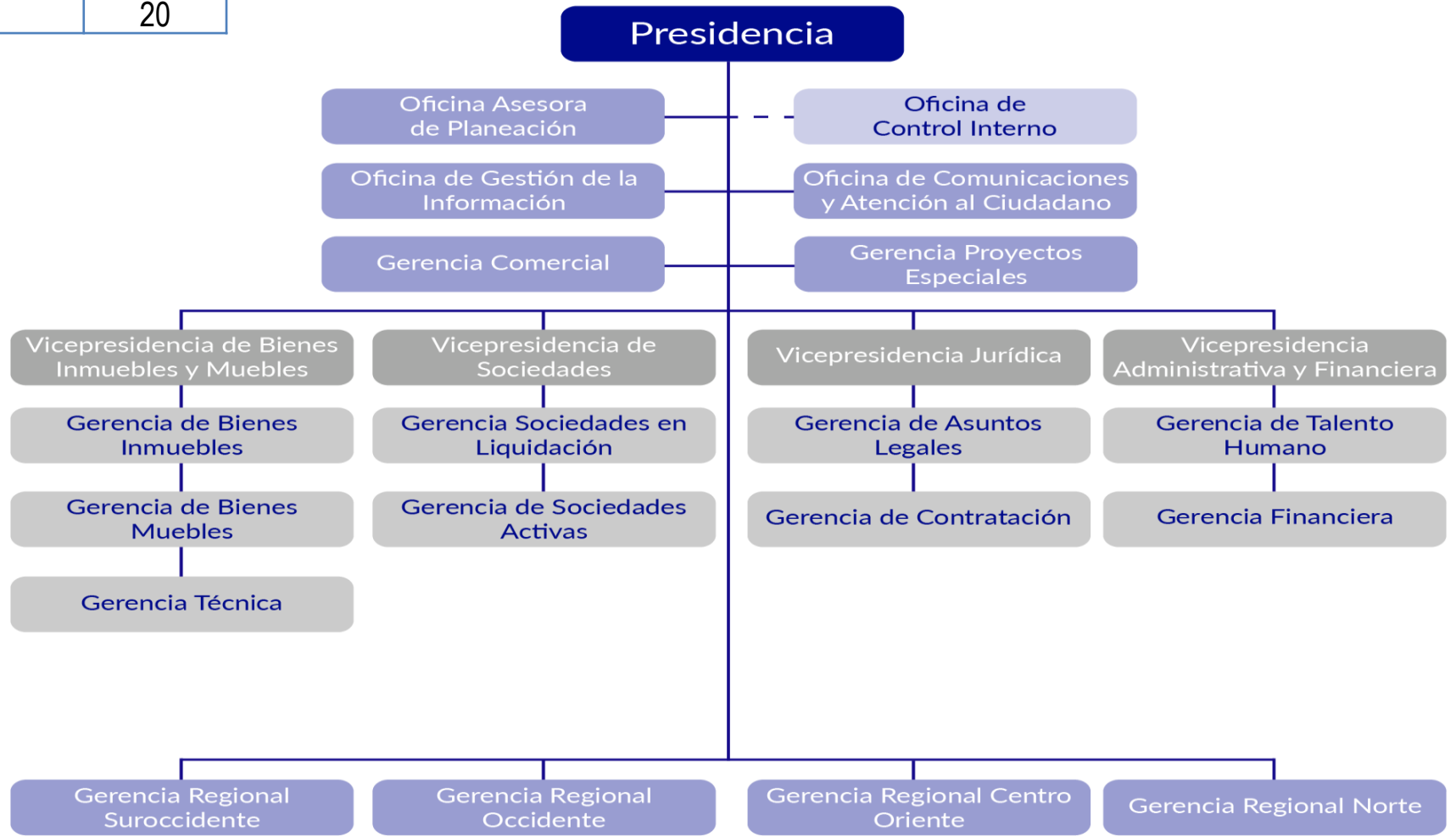
INMOVABLE MOVABLE SOCIEDADES

WHO ADMINISTRATES FRISCO AND WHAT IS ITS LEGAL NATURE?

Its administrator is the **Sociedad de Activos Especiales S.A.S**, a Company of mixed economy, authorized by law, of unique nature, subject to a private law regime and linked to the Ministry of Finance and Public Credit.



| | |
|-----------|-----|
| Employees | 397 |
| Trainees | 20 |

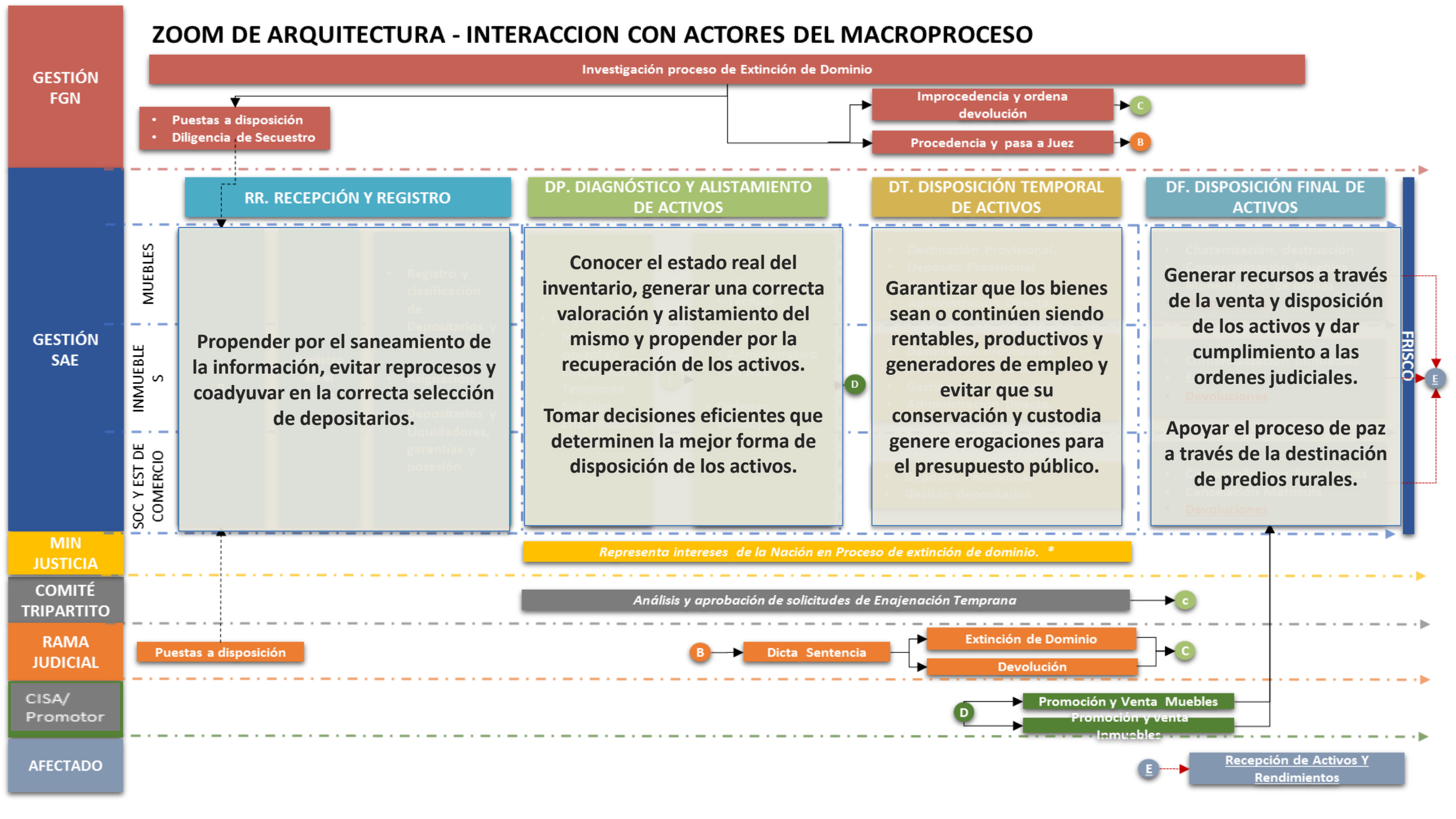




How do we do it?

Company architecture...

ZOOM DE ARQUITECTURA - INTERACCION CON ACTORES DEL MACROPROCESO

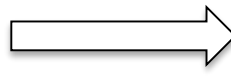
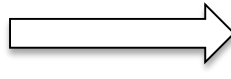
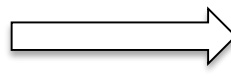
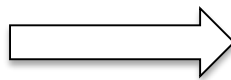
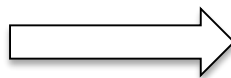
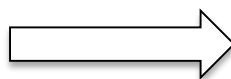
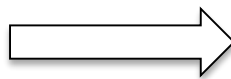




Main challenges in asset administration

Background

- 1 | Reputational liability of the National Narcotics Direction.
- 2 | Lack of physical, financial and judicial information upon assets receipt.
- 3 | Irregular occupation of **8.953** real state at national level, without difficulties to evict them.
- 4 | Low profitability and transfer of economical resources.
- 5 | Inexistence of Information Procedures and Information Systems
- 6 | Lack of methodology in the assessment of profitability and real state sale
- 7 | Long duration of asset administration without the possibility to sell them.



SAE's Management

Creation of an administration model with convocation, automatic assignment of trustees, centralized collection and Scoring.

Validation of **100%** of the inventory by inspection visits and judicial analysis.

Administrative Police faculties, **5.996** resolutions for eviction, legalization of **331** contracts and recovery of **1.501** real state.

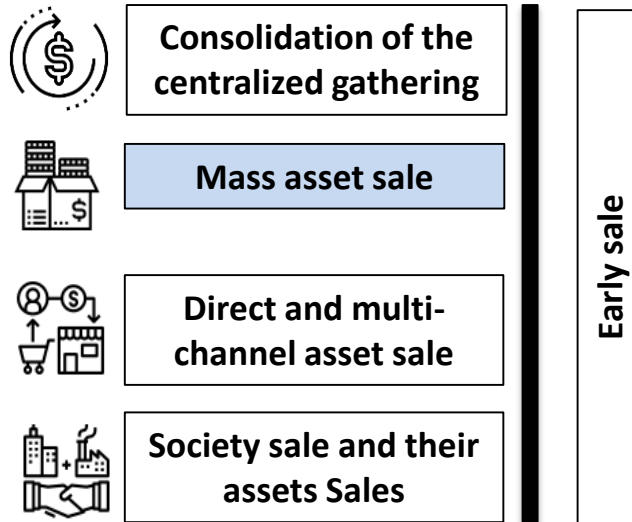
Generation of over COL\$1 **billion** in resources and transfers over COL\$**300.000 mil millions** to beneficiary agencies and a sale portfolio of **1 billion** pesos .

This Society counts on its standardized formal processes and procedures completing its operation

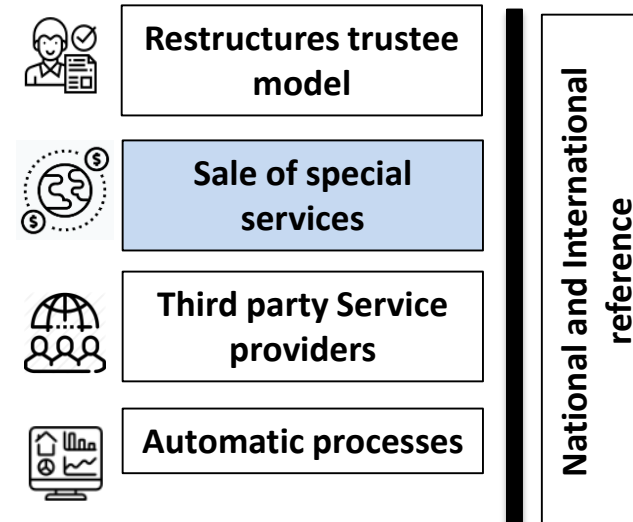
Generation of a methodology for the assessment of profitability and real state sale with collegiate valuing, ANA certified personnel for the elaboration of the value assessment.

Construction of a legal framework for the early asset sale, mass sale and multi-channel sale.

Consolidating an Administration Model and Generation of Resources 2018-2022



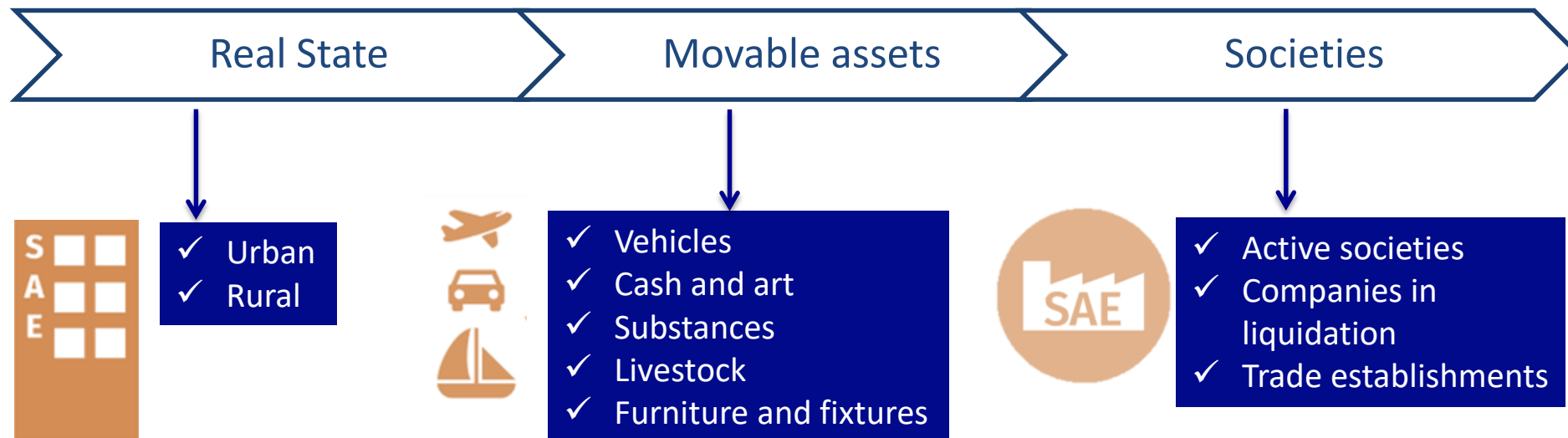
SAE as source of productive and profitable resources for the financing and Development of public policy



SAE as leader Company in asset administration, based on technological and efficient process and with a diversified Service portfolio



Special assets classification





Lo que administramos

Fuente: Aseguramiento de la información

Increasing trend of income product of Drug trafficking. According to CEPAL in 2018 income was close to US\$15.000 million dollars, 150% over what was registered in 2016.

Valor de los Activos 2018
aproximadamente

Inmuebles No Sociales
Total:
\$ 4'198.981'506.305

Valor patrimonial
Sociedades Activas: **2,2 billones***
Sociedades en Liquidación: **1,5 billones**

*Corte a 31 de diciembre de 2017

Muebles
Medios de transporte no sociales
\$32.815'678.411

1

FRISCO share payment

FRISCO

2

Administrator functioning



3

(9) DESTINATIONS PROVIDED IN SPECIFIC LAWS



L.1753/15



L.1849/17 Art.91 (PAZ)



L.1448/11 Art.177



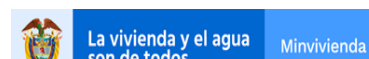
Dto. Ley 902/17



L.1708/14 Art.91



L.30/86



L.1537/12 Art. 41 y 43



L.1708/14 Art.120



L.1336/09

(2) DESTINATION PROVIDED IN THE DEVELOPMENT PLAN LAW



L.1955/19 Art.282



L.1955/19 Art.283

4

THE PERCENTAGE OF BALANCES

 **FISCALÍA** GENERAL DE LA NACIÓN DE LA GENTE, POR LA GENTE, PARA LA GENTE 25%

 **RAMA JUDICIAL** 25%

 **PRESIDENCIA DE LA REPÚBLICA** 40%

 **POLICIA NACIONAL** 10%

DESTINACIONES Y TRANSFERENCIAS RECURSOS LIQUIDOS 2015-2019

| | | |
|---|--|------------------|
|  | MINJUSTICIA ----- | \$49.326 |
|  | RAMA JUDICIAL ----- | \$60.050 |
|  | Gobernación del Archipiélago de San Andrés, Providencia y Santa Catalina ----- | \$34.193 |
|  | PRESIDENCIA DE LA REPÚBLICA ----- | \$72.080 |
|  | POLICIA NACIONAL ----- | \$29.056 |
|  | FISCALÍA GENERAL DE LA NACIÓN ----- <small>DE LA GENTE, POR LA GENTE, PARA LA GENTE</small> | \$45.049 |
|  | UNIDAD PARA LAS VÍCTIMAS ----- | \$11.351 |
|  | MINSALUD ----- | \$1.251 |
| | ----- | \$302.356 |

DESTINACIONES EN ESPECIE 2015-2019

| | | |
|---|--|------------------|
|  | Agencia Nacional de Tierras ----- <small>JUNTOS ABRIMOS LAS PUERTAS AL PROGRESO</small> | \$ 45,055 |
|  | Gobernación del Archipiélago de San Andrés, Providencia y Santa Catalina ----- | \$ 44,790 |
|  | PRESIDENCIA DE LA REPÚBLICA ----- | \$ 5,674 |
|  | FISCALÍA GENERAL DE LA NACIÓN ----- <small>DE LA GENTE, POR LA GENTE, PARA LA GENTE</small> | \$ 14,084 |
|  | UNIDAD DE RESTITUCIÓN DE TIERRAS ----- | \$ 2,859 |
|  | POLICIA NACIONAL ----- | \$42 |
| | ----- | \$112.504 |

Cifras en Millones de Pesos

ADMINISTRATION MECHANISMS DEFINED BY LAW

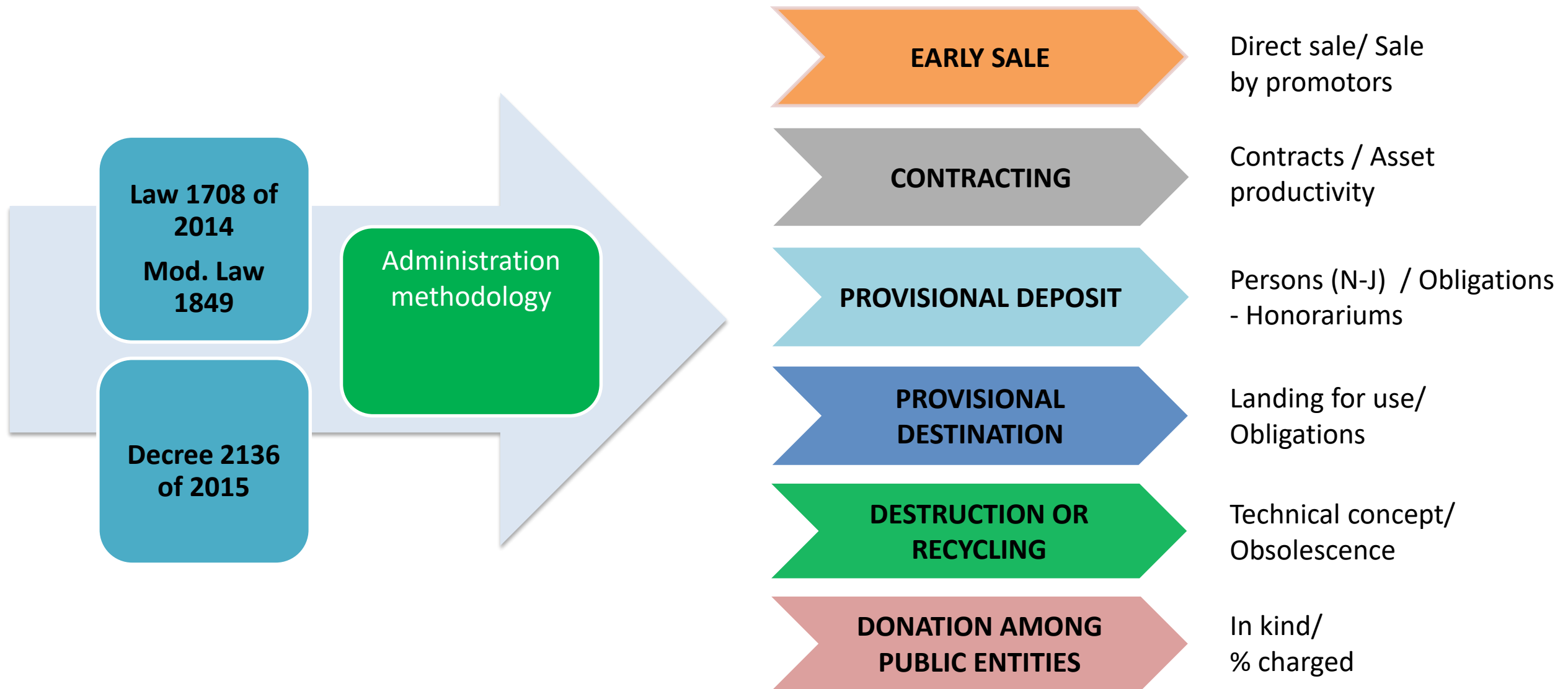


Sociedad de Activos Especiales S.A.S.



El emprendimiento
es de todos

Minhacienda



EARLY SALE



El emprendimiento
es de todos

Minhacienda



The early sale management includes

- Commerce of movable and immovable assets
- Recycling
- Destruction
- Sale

Disposition on asset productivity under in rem forfeiture process

Confirmation of a technical reservation.

When is the early sale applied and what does it imply?



L.1849/17

Cost benefit analysis of expenditures and income

If it is needed or obligated, according to its nature

Represent a danger of the environment

Assets that may ruin or deteriorate the environment

Expropriation for Public use or serving.

Location or Security conditions that undermine the administration

Assets subject to registry, perishable, or livestock.

- **Asset commercialization**
- **Recycling**
- **Destruction**
- **Sale**
- **Disposal of the productivity.**
- **Technical reserve of 30%.**



Previous authorization of the 3-part committee



Extintos

Recaudo efectivo

Divisas **\$128.436**

Inmuebles **# 574**
\$188.397

Ventas Directas **# 299**
\$11.803

\$328.636

Recaudo en Trámite

Inmuebles **# 79**
\$28.210

Ventas Directas **# 20**
\$3.599

\$31.809

Publicado en Venta

Inmuebles **# 328**
\$231.198

\$231.198

RECAUDO EFECTIVO

2
\$213.408

Portafolio

7,121
\$7,004

Semovientes

24
\$6.046

Servidumbres y Expropiaciones

1
\$464.857

Sociedades

\$691.315

Gestión Total E. Temprana

Collection in **56 months**

Forfeited
\$328.636

691.315

In **22 months**

On sale
\$494.971

EN TRAMITE

114
\$7.737

Inmuebles **

7.664
\$7.664

Semovientes

45
\$20.899

Ventas Directas

USD-EUR
\$57,219

Divisas

\$93.089

PROMOTOR

947
\$279.103

Inmuebles

162
\$7.901

Muebles

279
\$279.103

Ventas Directas

USD-EUR
\$57,219

Divisas

\$93.089

GESTIONES

86 E. Temprana
259 Penales

Chatarrización

6,392

Destrucción Muebles

33

Destrucción Sustancias

\$322

Gastos en Bodegaje Mensual

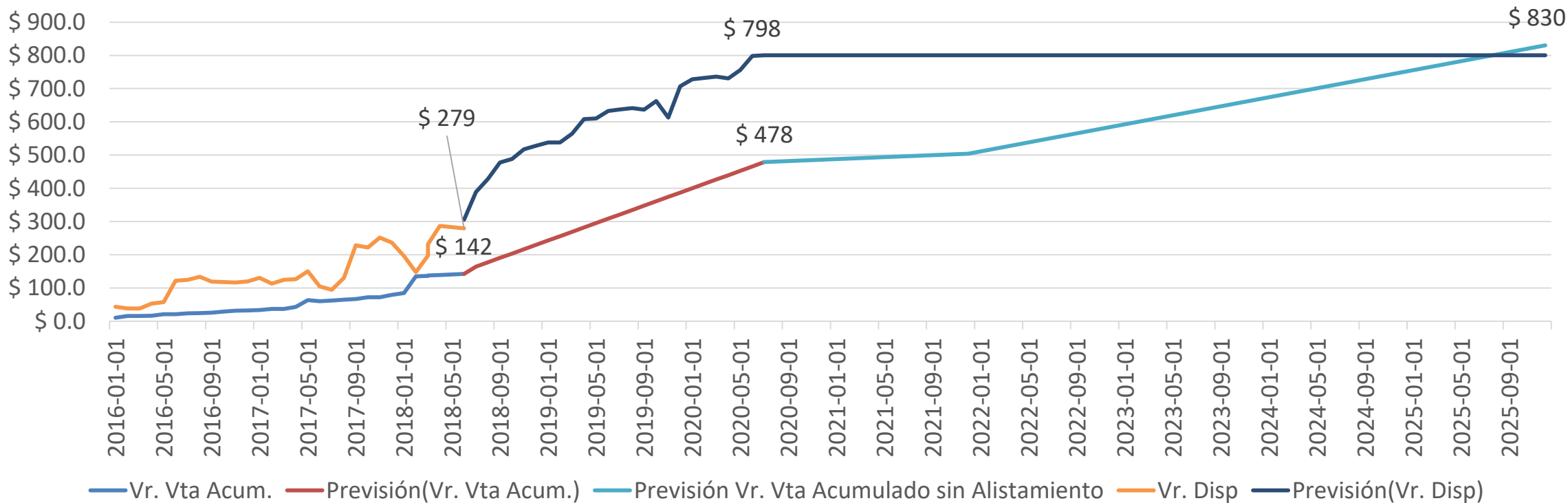
MASS SALE



El emprendimiento
es de todos

Minhacienda

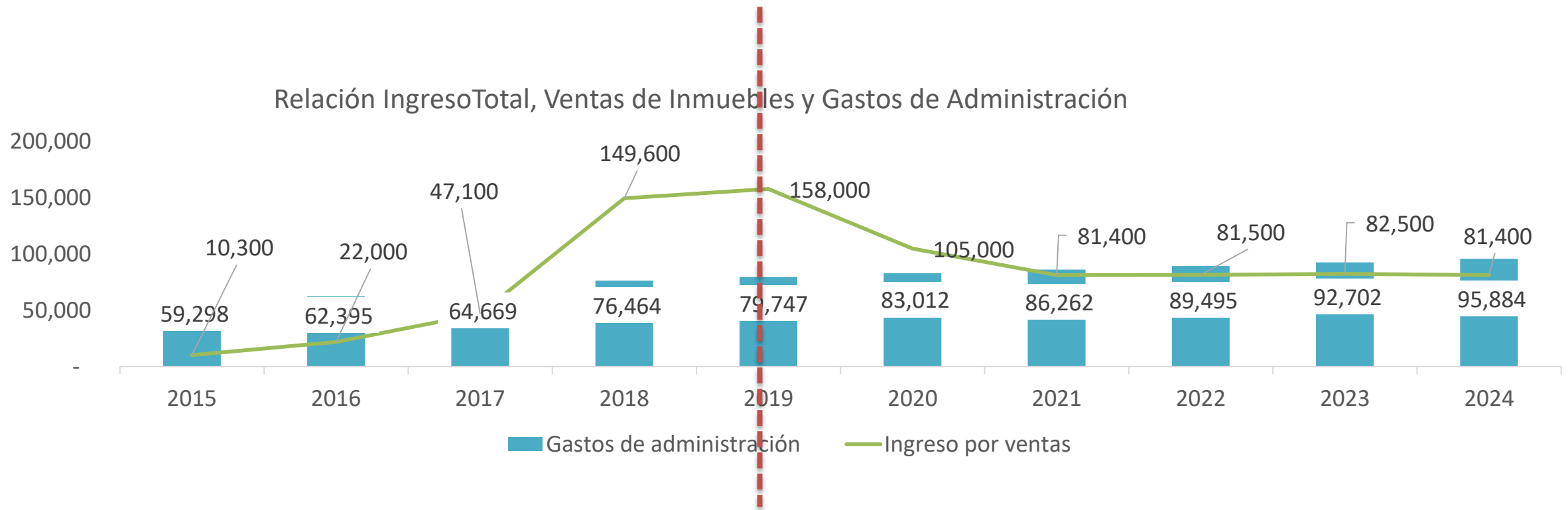
Projection of available value for sale vs Projection of sales



Data on available value are constant
Sale date are accumulative

Información con Corte 30 de Agosto de 2018
Cifras en miles de millones de pesos

WHY MASSIVE ASSET SALE?



----- Mass sale process, would save \$ 447.355 million pesos.
 Would generate an income of \$1.3 billion Pesos
 Transfer of 800 thousand million

Información con Corte 30 de Agosto de 2018
 Cifras en miles de millones de pesos

¿What are the phases of the 5837 real state sale?



0



8 Months
Jun/19

FASE PRELIMINAR



- Legal, technical and economic study to identify the different variables for the real state mass sale.
- Preparation of contracting documents for the three phases of the project.
- Signing the agreement.

1



12 Months
Jul- Jun/20

ALISTAMIENTO INMUEBLES

- Hiring companies
- Review of certificates of tradition and freedom and delivery of legal form. 5.837 assets -1 month.
- Evaluation and auditing of the 1.060 assets - 3 months
- Investigation and payment of liabilities.

2



6 Months
Jul-Dic/19

ESTRUCTURACIÓN VENTA

- Definition of the package and the minimum sale price of the properties.
- Package promotion nationally and internationally
- Delivery of sales inventory and constitution of the data matrix.
- Property Auction.

3



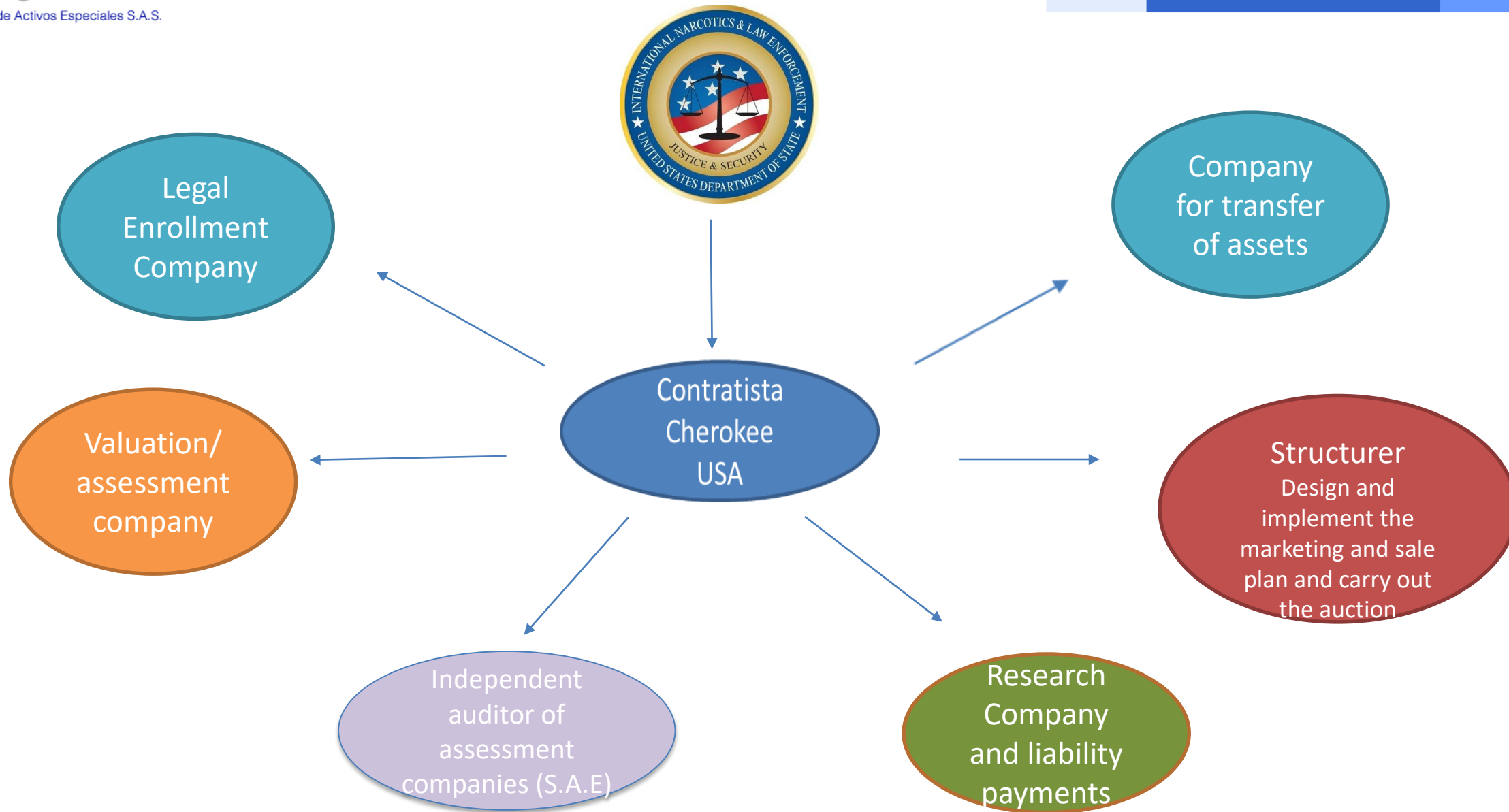
7 Months
Dic-Jun/20

TRASPASO INMUEBLES

- Delivery and loading of Tradition and Freedom Certificate with registered sale.

← Independent audit hired by INL. Monitoring and evaluation of the project

← Capacity building and knowledge transfer



Rules needed for the massive sale



Econometric model for asset value assessment – Law 1955/19 paragraph 5 Art. 72

Methodology for the determination of Price with a discount – Law 1943/18. Art. 166

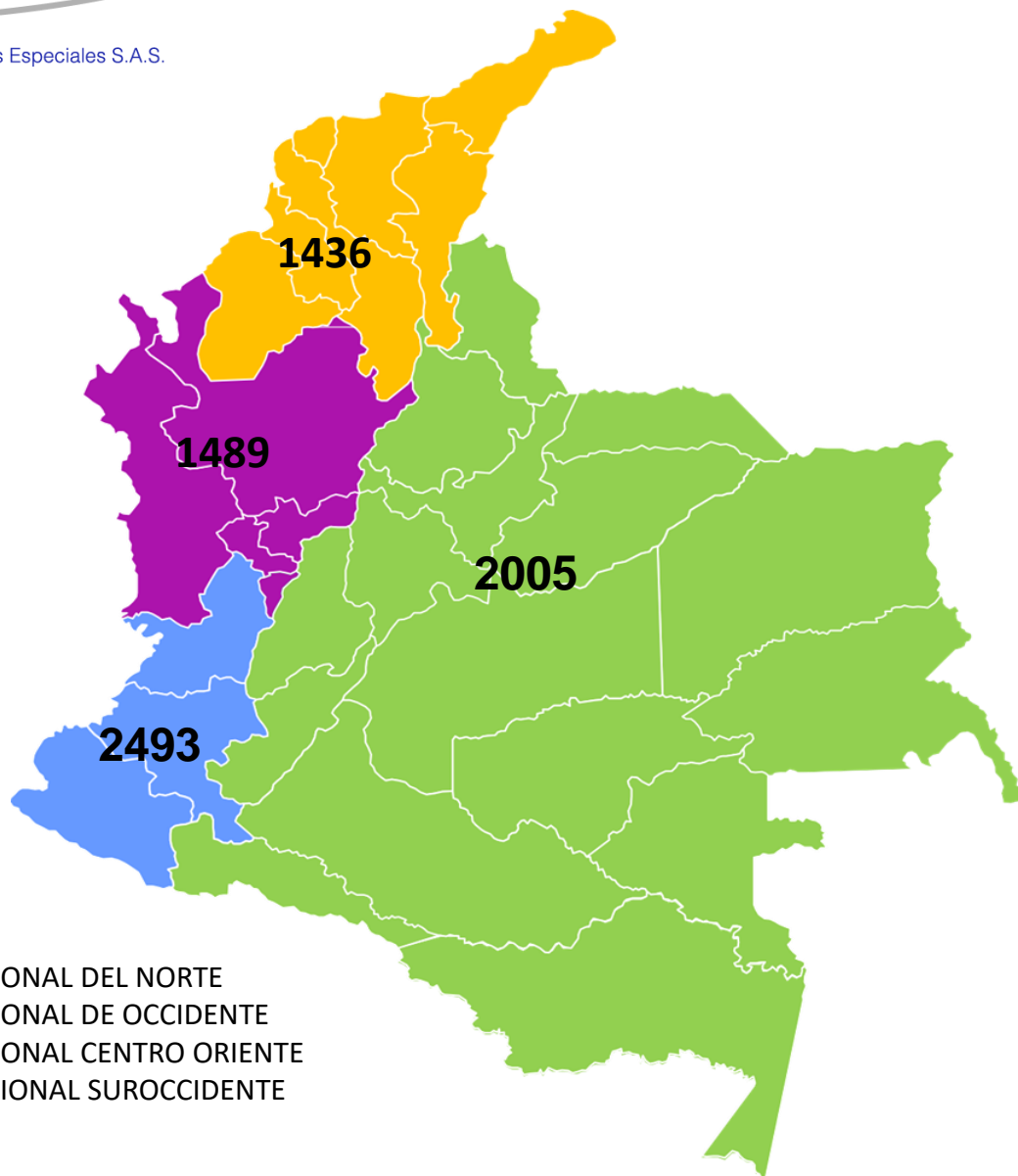


Administrative act for massive transfer - Law 1955/19 paragraph 3 y 4 Art. 72.

Automatic sanitation – Law 1955/19 paragraph 4 Art. 72.

Approval of increase in operative cost Budget by CNE Socialized





- REGIONAL DEL NORTE
- REGIONAL DE OCCIDENTE
- REGIONAL CENTRO ORIENTE
- REGIONAL SUROCCIDENTE



\$ 2.5 million USD



Embajada de EE.UU. en Colombia






PROCURADURIA
GENERAL DE LA NACION



CONTRALORÍA
GENERAL DE LA REPÚBLICA



DESTINACIONES Y TRANSFERENCIAS RECURSOS LIQUIDOS

| | | |
|--|---|-----------------------|
|  | PRESIDENCIA DE LA REPÚBLICA ----- | 24,069,667 USD |
|  | RAMA JUDICIAL ----- | 20,016,667 USD |
|  | FISCALÍA GENERAL DE LA NACIÓN ----- <small>DE LA GENTE, POR LA GENTE, PARA LA GENTE</small> | 15,016,667 USD |
|  | MINJUSTICIA ----- | 12,491,667 USD |
|  | POLICIA NACIONAL ----- | 9,685,333 USD |
| <hr/> | | 81,280,001 USD |

DESTINACIONES EN ESPECIE

| | | |
|---|---|----------------------|
|  | FISCALÍA GENERAL DE LA NACIÓN ----- <small>DE LA GENTE, POR LA GENTE, PARA LA GENTE</small> | 4,694,667 USD |
|  | PRESIDENCIA DE LA REPÚBLICA ----- | 1,882,333 USD |
|  | POLICIA NACIONAL ----- | 14.000 USD |
| <hr/> | | 6.591.000 USD |

First Semester 2019. The National Narcotics Committee recommended that the resources of the massive sale benefit the institutions that may use them for the fight against narcotics.